

## INSTITUTIONAL BASES OF ORGANIZING STATE GOVERNANCE FOR TERRITORY DEVELOPMENT

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### **Abstract**

*The article is devoted to studying institutional basis of organizing public governance for territory development by means of e-Governance system. In particular, there were presented the bases for creating such a system, its components, stages of implementation and were developed institutional governance mechanisms by means of basic "e-services". Assuming that public authorities represent a certain "black box" which provides services according to the "one stop" principle, a citizen has a possibility to obtain them in accordance with his "life episode". Thus, one governing system would be characterized by the principles of responsibility and accountability to the locals and by the involvement in meeting local territories needs.*

**Key words:** *e-government, e-governance, e-services, territory development, public governance, institutional bases.*

**JEL Classification:** *R11*

### **I. INTRODUCTION**

Actual, not declarative, empowerment of an average local resident for personal participation in the process of local administration represents a qualitative breakthrough in human psychology: from the tactics of passive observation of self-governing structures work to actual involvement into the process of governing communities. EU countries' experience gives a profound evidence for effectiveness of involving population into establishment of institutional mechanisms for creating and implementing vitally important tasks for a certain community, control of their fulfillment, support and overall assistance for self-governing initiatives of the population.

Population involvement into the process of government for rural territory development is a complicated and long-lasting process that can be successful only under the conditions of sustainable social activity development, societal conscience and awareness of the local population about various issues of the present. This process relates not only to the procedure of governing territory development on community basis, but also to the programs of "e-Governance", as their implementation even on the preparation stage represents a demanding task due to lack of trust, negative patterns that were established on site because of lasting practice of "come-and-go" and "pulling the wool over the eyes" style.

The objective of the research is to analyze organization of public governance for territory development that can be possible through institutional basis of the "e-Governance" system. Electronic governance – is another institutional mechanism in the system of organizing territory development, which is possible through public authorities and information society formation. It has two tendencies: on the one hand, cross-cultural interaction, replacement of traditional way of life, firstly, in everyday life, and, on the other hand, - stimulating adaptation defense mechanisms of culture against global unification threat.

Identification of actual functioning condition of the information society is possible through studying communities as it gives the possibility to assess awareness about the processes in the state and its primary sites – local territories, in terms of quantitative and qualitative indices. It helps to analyze the situation without prejudice, to assess response of the population to the institutional structures activities.

Awareness about the tendencies in the population opinion within the period of transformation gets special importance. Lack of awareness about the factors that are being perceived by the population and which are not, leads to faulty decisions, and as a result may set social conflicts between local residents and authorities or

separate social groups.

Information society development, caused by information factor intensification, actualizes the role of government in transformational processes [4]. That is caused by the complexity of the population transformation into another type and necessity for involving wide public into it. In this context, a special role belongs to the state information policy as a regulatory factor for information territory development.

The terms “e-government” and “e-governance” became popular during the last 20<sup>th</sup> of the previous century. They were used to define modernization processes of state and society relations relating to the informatization and internetization of government system. There is a significant number of definitions of this term as everyone tries to put emphasis only on particular functions of electronic methods for territory development governance. In our opinion, however, its main idea has been interpreted in order to improve the local governance effectiveness.

## **II. BASIS FOR ESTABLISHING E-GOVERNANCE**

Institutionalization of electronic governance in Ukraine relates to the necessity for adopting document suite that would emphasize functional characteristics of the information technology, in particular, that they are able to [6]:

- 1) facilitate connections of the citizens with local government authorities;
- 2) permit local government authorities to advance services and information by means of new communication tools;
- 3) enhance connections between various state agencies in order to prevent requirement for the same information from the people by different public agencies;
- 4) provide better access to the information in order to make community outreach more effective and obtain better results.

Electronic government is such a way for organizing public authorities' work that allows communities for close continuous interacting with state authorities, which can elastically react to community needs [8].

The policy as to the informatization of electronic services shall be carried out step-by-step and implemented in the strategies, programs, action plans and concepts for territory development.

Development and internetization of territory government will increase government system effectiveness, support transparency of the government that would provide for democratization of relationship between government and society, information rights and freedoms, would result in increase of government credibility. The system of e-governance becomes one of the main factors for establishing information community and developing effective electronic governance starts from object definition. At the current level of institutional system governance for territory development, appropriateness of the fundamental results of e-government and e-governance is evident. This resulted due to information society establishment, which requires relevant organization of their administration.

In our opinion, its tasks and purposes are to be concentrated around the assertion that is it possible to use modern Information and Communication Technologies for interaction with public authorities in the field of administrative services, and they are to lead population towards recognition that each person will gain positive effects from reducing distances in the interaction system “government – local resident”.

At the same time, possibility of involvement into new mechanisms of providing administrative services will require professional improvement and relevant education from civil servants. It is worth mentioning that electronic governance for territory development is more significant than mere technologically modernized or connected to the Internet public services. The way towards e-government starts when a local authority and local residents start experimenting and learning to use new information and technological means. That is why response of Ukrainian state to actual readiness of local residents to obtain state administrative services by means of Internet network is to become a pre-condition for promoting field of e-governance as a system that provides new methods for governing territory development and creates new ways of discussing and making managerial decisions on strategies and investments, getting education, as well as new schemes for organizing and providing information and services.

## **III. “E-GOVERNANCE” SYSTEM COMPONENTS**

In order to arouse interest in obtaining administrative services through the Internet, it should be done on the basis of current European approach towards implementation of e-government system, which assumes that, from a customer perspective, government institutions represent a certain “black box” that provides services or goods [10]. In this regard, public services consumers apply for them according to occurring “life episodes”, meaning the situations when there is a necessity for such an appeal, for example, marriage, new house building,

receiving social benefits and/or job hunting. Creation of a unified public services and information access point means that a system would be organized according to a citizen or community need, instead of a principle of explaining to them which responsibilities and powers any particular institution has. Thereby, when a local citizen has to deal with an effectively organized e-government system, he is not interested, which particular institution must provide him with one or another services, instead, he communicates with various institutions from a perspective of a “life episode”, which may be related to several public services; and in many cases it may require from different institutions to perform their functions. Very often, such approach is called “one stop” principle. An impotent component of this activity is represented by the administrative process restructurings and electronic administrative regulations designing, which shall form the basis for unified e-government architecture.

Nowadays, a significant part of the population – civil servants and public officers, as well as businesses, NGOs representatives and average citizens – possesses shaped potential willingness to use extensively e-governance technologies in particular on the local level related to daily needs meeting – “life episodes”. Meeting the need in organization and administrative services is the dominant reason for interactive communication with the local level public authorities.

A significant step in making population interested in e-governance within the context of necessity for eliminating problems of public authority transparency, its accountability to society as to performing functions delegated by the rural population, combating corruption and bureaucratic red-tape, is to provide services on-line by each separate authority. A “one stop” method is to be used, when a local resident applies to one, primary public institution, and the following process of document and information interchange takes place within the system of public authorities without his involvement and sharply established period. In particular, there may be created unified web-sites for rural, regional and national levels, with the help of which citizens would have a possibility for performing many necessary acts, especially those requiring interaction between two or more authorities that provide administrative services.

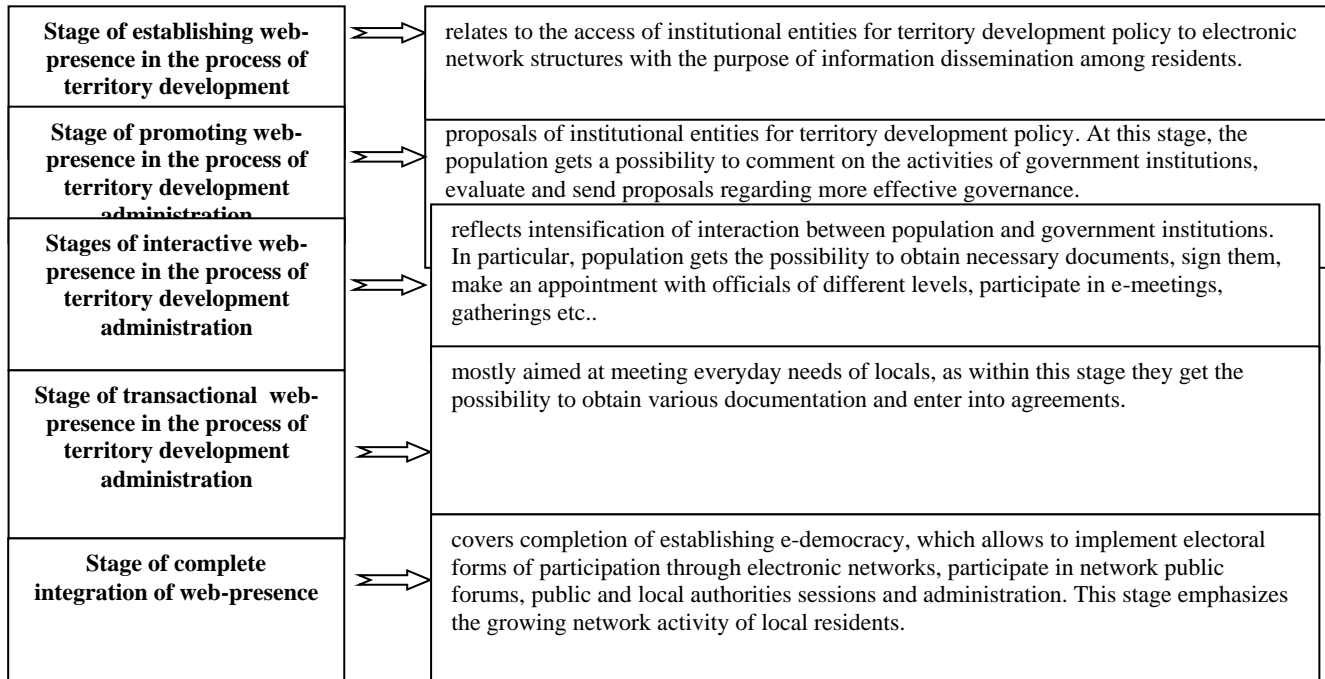
Local residents are suggested to use a form of e-applying to public authorities as well. The bases for e-mailing have already been established in Ukraine, but, unfortunately, they have a number of disadvantages, in particular, according to the legislation of Ukraine, e-applying is devoid of official status. The users are being explained that citizens have the possibility of applying to the administration of rural, regional or oblast level with their questions, proposals, comments and requests that will be studied and, if possible (necessary), taken into consideration. Moreover, they are given an e-mail address of a web-site administrator and explained that only those documents that are being received in a written form are considered to be official appeals.

In our opinion, citizens’ proposals is such form of political participation that does not provide for government’s fast response to one citizen or a group of citizens (community) appeal; in order to get such response there must be a crucial number of such appeals. It is the possibility of sending a proposal via e-mail, which would have an official character, and receiving an answer in a similar way that will contribute to the formation of a sense of involvement into political and managerial processes of Ukrainian citizens. And, in case when such appeals are drawn from the lowest level (a citizen), it would make governance for territory development realistic.

The peculiarity of rural population assessment of a need for adopting The Law of Ukraine, which would oblige authorities to make official responses to appeals and claims of citizens sent to them via Internet, is that this idea is strongly rejected by public officers and civil servants of local authorities.

#### **IV. STAGES FOR E-GOVERNANCE SYSTEM IMPLEMENTATION**

Nowadays, gradual creation of information society brings up a number of issues. The most topical among them is the issues as to prospective for establishing e-governance and relating to it changes in nature, forms and quality of rural population participation in social governance processes. The process of establishing e-governance covers five main stages. At each stage, a clear view of the situations is being formed and new possibilities for population participation in the process of territory development administration are being adopted (Fig. 1).



**Figure 1 - Stages for e-governance implementation in the process of territory development administration**

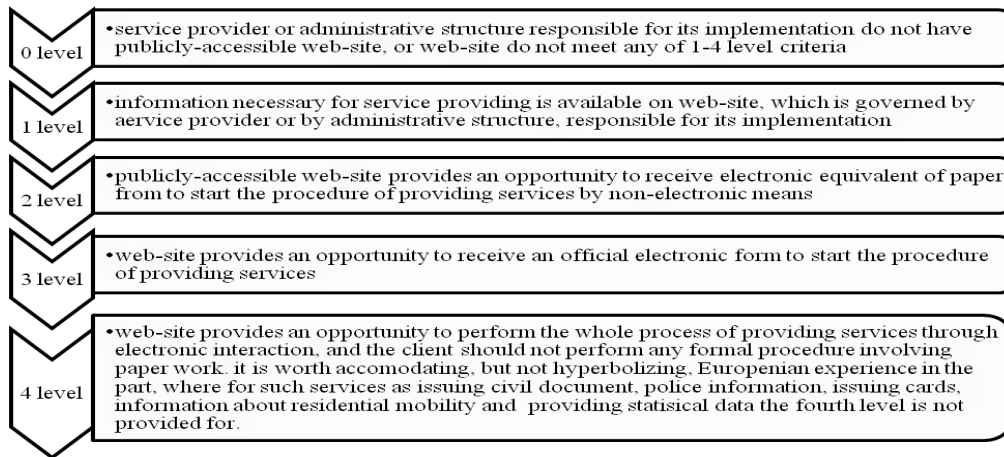
*Source: concluded based on source: [5; 6].*

In comparison with global experience of establishing e-democracy, Ukraine currently stands between the first and the second stages – among the whole amount of e-democracy ideas, quite functional idea of e-government became very popular in this country. E-government is usually understood as socially responsible and information-opened, with constant feedback, system of state governance.

In our opinion, a basis that should be used when designing and implementing modern Information and Communication Technologies into governance system for territory development is a principle of creating and functioning of the “Electronic governance” information program. This program shall reflect process characteristics of electronic governance and provide the governance system with the possibility to be aimed at local population interests.

Main components of the governance system, aimed at public interests, are based on the principles of responsibility and accountability of local authorities to residents for the powers to provide territory development. The principle of responsible development governance functions according to the established legislative rules and documents and accurate (transparent) disposition of territory finances, thereby deserves population confidence, operates effectively and at low expenses. Accountability, in its turn, shows actual activity of local authorities, thus providing population with publicity and a right of choice.

Creation of “Electronic governance” information system must be guided by systemacy, development, combinability, standardization and efficiency principles, which are used in designing automated systems according to the regulatory documents. Each of the mentioned above principles requires significant information assistance on the part of government institutions and interested population segment. Ukraine should adjust European model of generalized structure of determining level of improvement for electronic services (Fig. 2).



**Figure 2 - Levels of providing services of the “electronic governance” system.**

*Source: concluded based on source: [4].*

Development of territory development electronic infrastructure requires considerably more than common mechanic creation of web-site system for all levels government authorities; its purpose is to transform the principles of interaction between government and community, when a citizen instead of a target for government pressure becomes a competent consumer of e-services, provided by state and local authorities, and simultaneously becomes a fully legitimate participant in decision-making process for territory development at local, regional and national levels.

#### V. “E-GOVERNANCE” INSTITUTIONAL MECHANISMS

Hence, “e-governance” system implementation requires the following institutional bases:

1. Arranged processes and organizational structure systems (public authorities) should represent the object for innovative information technologies use. Only those procedures and that administrative activity should be computerized, which in their nature are objectively necessary and rational from the point of system analysis requirements. In Ukraine, many present-day regulatory bodies activity, as a rule, has been established under the influence of subjective factors, i.e., it is not essential from the point of societal interests. Accordingly, initial point for implementing e-governance system into the process of territory governance should become arrangement of administrative relationships, maintenance of its strict hierarchy and subordination.
2. There should be created e-governance development sectors (departments) in local authorities’ structure.
3. Notwithstanding that nowadays bases of legislative support for social relations in the field of e-governance are established in Ukraine, there is a need for designing particular legislation as to the system of relations regulation on three levels of electronic governance: G-G – government to government; G-B – government to business; G-C – government to citizens. We believe that providing population with baseline electronic services should be fixed in legislation (Table 1).

**Table 1. Baseline electronic services which may be provided to the population\***

Baseline electronic services for local residents (G2C)	Baseline electronic services for business (G2B)
1. Declaring profit tax	1. Making social contributions for employees
2. Seeking employment through employment service	2. Declaration of corporate taxes
3. Executing social assistance	3. Registration of VAT
4. Executing civil documents (passport, driving license)	4. Register a new business or enterprise
5. Vehicle registration (new, old, imported)	5. Submission of statistical data
6. Submit an application for building	6. Customs declaration
7. Information of police, prosecutor's office	7. Obtaining permits related to environmental protection
8. Using public libraries	8. Functioning of the public procurement
9. Issuing certificates (birth, marriage)	
10. Submitting applications for entering education institutions	
11. Information about residential mobility	
12. Services relating to medicine	

*\*Source: updated and concluded by the author based on sources [1; 2].*

4. There is a need for improving knowledge, skills and efficiency in e-governance technologies, current level of civil servants qualification in the field of computer knowledge.

5. There are problems of infrastructural nature that do not enhance the integration of the principles and

ideas of electronic governance into collective consciousness of territory residents. The most critical are the following problems:

- 1) increase of population having access to Internet-resources, from home computers primarily;
- 2) design of information-intensive web-sites for rural, township and city councils, administrative bodies and state authorities and institutions, aimed at two-way interaction not among other administrative institutions, but among population in particular.

The following would help to overcome these problems:

- 1) state and grant support for initiatives of interested NGOs and other territory institutions aimed at achieving transparency of relationship within “state-community (local resident)” system;
- 2) leadership of public authorities in using electronic technologies in their everyday activity, which would act as motivating factor for speeding up information territory development.

6. Considering that there are programs for enhancing e-governance implementation into activity of local authorities, it is required to develop and implement monitoring system for dynamics of adopting e-governance opportunities by the population and the government. It is required to use the E-Government Readiness Index consisting of three initial indices (sub-indices):

- (1) Web Measure Index;
- (2) Telecommunication Infrastructure Index;
- (3) Human Capital Index [1].

E-Government Readiness Index reflects characteristics of electronic government access, mainly technological infrastructure and level of education, which allows to identify in what way possibilities of information and communication technologies are being used for economic, social and cultural territory development. This index gives the possibility to compare condition and analyze tendencies, existing within territories and regions, as well as estimate the discrepancies between them.

7. E-governance system implementation requires realization of large-scale information campaigns, aimed at specifying: principles of providing administrative services through one window; essence of electronic governance technologies and advantages of their use in everyday life of citizens; necessity for learning and improving computer competence of all segments of people; popularization of electronic governance technologies as a means for improving quality of life.

## VI. CONCLUSION

E-governance demonstrates necessity of government institutions for conducting continuous dialog with local residents, responding to their proposals and requests, thus stimulating interest in politics and active involvement of citizens. Among other priorities there is public awareness raising as to activities of public authorities and governance at all levels, public information availability and its effective transmitting to users, support for and feedback gain between authorities and society, direct involvement of local residents into public authorities activity and into governance for territory development, support for political developments aimed at local development and population involvement in it.

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